FOR IMMEDIATE RELEASE

Industries Qatar posts a net profit of QR 4.7 billion for the year ended 31 December 2023

Board of Directors Recommends Dividend Payout Equivalent to 100% of 2023 Net Income

- The Board of Directors recommends a dividend payout ratio equivalent to 100% of net income, equating to QR 0.78 per share for the financial year ending 31 December 2023.
- Group operations continued to remain robust with all the operational performance indicators remain at par with last year.
- Earnings per share (EPS) of QR 0.78 for YE-23 compared to QR 1.46 for last year.
- 2023 results impacted by challenging macroeconomic climate amid weaker prices and demand during the year compared to last year.
- Moody's ratings upgrade Industries Qatar Rating to 'Aa3' from 'A1' with a stable outlook
- Liquidity continues remain robust with a total cash and bank balance of QR 15.9 billion, with a positive free cash flow generation of QR 2.6 billion during the year.

Doha, Qatar; 8th February 2024: Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a net profit of QR 4.7 billion for the year ended 30 December 2023, representing a decline of 46% compared to last year.

Commenting on the Group's financial and operational performance for the year, **His Excellency Mr. Saad Sherida Al-Kaabi, Chairman of the Board of Directors**, said:

"Despite the challenges faced this year in a challenging global economic climate, Industries Qatar demonstrated remarkable resilience. Our focus on operational excellence and HSE, coupled with our strength in the global supply chain, contributed to a seamless operational performance for IQ.

As we present our commendable operational and financial performance for 2023, I extend my sincere thanks to the Board of Directors, Chief Executive Officers, senior management and all the employees of QAPCO, QAFAC, QAFCO and Qatar Steel, without whom we would not have achieved these results.

Going forward, we will continue to thrive for operational excellence, by focusing on our human capital and environment, along with responsible growth and creating long term value for our shareholders."

Updates on macroeconomic environment:

In 2023, economic uncertainty continues to persist, bringing challenges to global supply and demand dynamics for most commodities. The year was marked by lower commodity prices amid reduced energy prices and an increased influx of commodities supply. Most European producers on the backdrop of supply side easing gradually increased production to compensate for the previous year's curtailed output, driven by the availability of feedstock. Meanwhile, on the demand side, buyers exercised cautious approach in their purchasing decisions, strategically navigating the impact of slower economy recovery.

These factors, consequently, contributed to a general downward trajectory in the trends of commodity prices compared to the previous year. Muted consumer spending significantly affected the demand for most commodities across our product portfolio.

Nevertheless, there is some evidence of stabilization in the macroeconomic outlook during later part of the year, which had general positive impact on the group product portfolio on sequentially basis. On overall basis, lingering uncertainty in the global macroeconomic outlook continues to add pressure on our group's product portfolio in comparison to the previous year.

Operational performance updates

Key performance indicators	YE-23	YE-22	Variance (%) [YE-23 vs YE-22]	4Q-23	3Q-23	Variance (%) [4Q-23 vs 3Q-23]
Production (MT' million)	16.7	16.7	0%	4.1	4.4	-7%
Utilization rates (%)	100%	100%	--	96%	103%	--
Average reliability factor (%)	98%	98%	--	94%	98%	--

Group's operations continue to remain strong as production volumes for the current year remained stable against last year and stood at 16.7 million MT's. This stability in production was largely driven by stable operating rates, and plant availability across the group. Plant utilization rates for YE-23 remained ~100%, while average reliability factor stood at 98%. This reflects the Group's commitment to operational excellence, while ensuring plant reliability and unwavering importance to HSE.

On a quarter-on-quarter basis, production volumes declined by 7% versus 3Q-23, with fuel additive, fertilizer and steel segments undergoing shutdowns during Q4-2023.

Financial performance updates – *YE-23 vs YE-22*

Key financial performance indicators	YE-23	YE-22	Variance (%)
Average selling price ($/MT)	472	711	-34%
Sales volumes (MT' 000)	10,080	10,212	-1%
Revenue (QR' billion)	16.9	25.8	-34%
EBITDA (QR' billion)	6.2	11.0	-44%
Net profit (QR' billion)	4.7	8.8	-46%
Earnings per share (QR)	0.78	1.46	-46%
EBITDA margin (%)	37%	43%	--

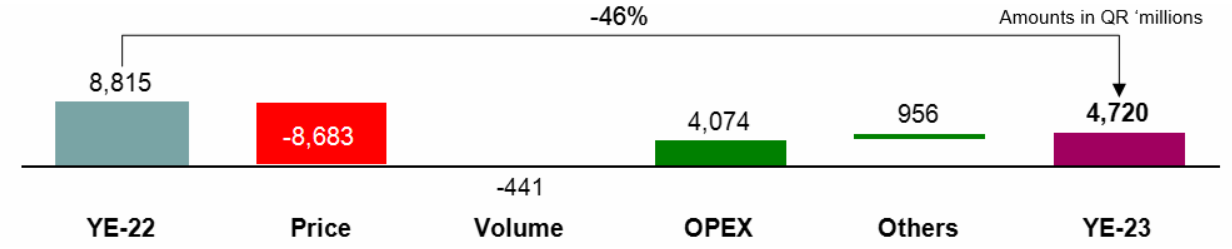
Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

Group reported a consolidated net profit of QR 4.7 billion for the year ended 31 December 2023, with a decline of 46% versus YE-22. Earnings per share (EPS) for YE-23 was QR 0.78 versus QR 1.46 for YE-

22. Group revenue for YE-23 declined by 34% to reach QR 16.9 billion as compared to QR 25.8 billion reported for YE-22.

Analysis of IQ's net earnings – YE-23 vs YE-22

Group's financial performance for the year ended 31 December 2023 was largely attributed to the following factors:



- <u>Product prices</u>
  Blended average product prices declined by -34% versus YE-22 and reached USD 472/MT. Decrease in product prices contributed QR 8.7 billion negatively to the Group's net earnings, mainly on account of lower price trajectories noted across the Group's basket of products amid lower demand.

- <u>Sales volumes</u>
  Sales volumes decrease marginally by 1% versus YE-22, primarily driven by lower production volumes amid shutdowns. Reduced sales volumes contributed negatively by QR 441 million in the overall Group's net earnings for YE-23 compared to the same period of last year.

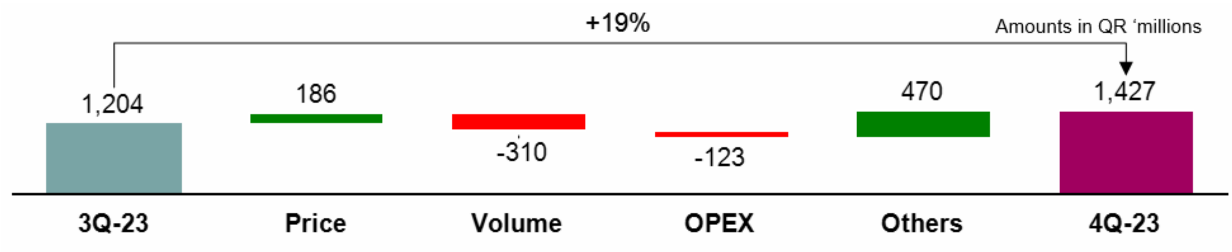
- <u>Operating cost</u>
  Operating cost for YE-23 decreased and contributed positively by QR 4.1 billion versus YE-22. The decrease in the operating cost was primarily linked to lower variable cost driven by end-product price indexed raw material cost, partially offset by general inflation.

Financial performance updates – *4Q-23 vs 3Q-23*

Key financial performance indicators	4Q-23	3Q-23	Variance (%)
Average selling price ($/MT)	482	460	+5%
Sales volumes (MT' 000)	2,309	2,494	-7%
Revenue (QR' billion)	4.0	4.1	-3%
EBITDA (QR' billion)	1.9	1.7	+12%
Net profit (QR' billion)	1.4	1.2	+19%
Earnings per share (QR)	0.24	0.20	+19%
EBITDA margin (%)	35%	43%	--

Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

Analysis of IQ's net earnings - 4Q-23 vs 3Q-23



In 4Q-23, the Group's net earnings inclined by 19% compared to 3Q-23, reaching QR 1.4 billion. This notable increase was mainly due to one-off reversal of impairment of non-current asset within steel segment, which contributed QR 550 million positively to the net profit. On the other hand, the increase in selling prices was fully offset by higher operational costs, and lower sales volumes on account of lower production amid planned shutdown during the quarter.

Financial performance updates – *4Q-23 vs 4Q-22*

Key financial performance indicators	4Q-23	4Q-22	Variance (%)
Average selling price ($/MT)	482	637	-24%
Sales volumes (MT' 000)	2,309	2,501	-8%
Revenue (QR' billion)	4.0	5.7	-30%
EBITDA (QR' billion)	1.9	2.3	-15%
Net profit (QR' billion)	1.4	1.8	-19%
Earnings per share (QR)	0.24	0.29	-19%
EBITDA margin (%)	35%	41%	--

Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

Compared to 4Q-22, the Group revenue for the current quarter decreased by 30%, primarily due to notable decline in selling prices as result of easing of supply chain and logistic issues allowing producers to gradually resume operation to pre-2022 supply levels. Additionally, relatively tighter monetary policies challenging consumer consumption rate at global level

Product prices on average declined by 24% versus same quarter of the last year, where lower price trajectories were noted mainly in fertilizer segment. Sales volumes, on the other hand, declined slightly by 8% versus the same quarter of last year on account of lower production in fertilizer and fuel additive segments due to shutdowns during 4Q-23.

Profitability declined by 19% versus same quarter of last year predominantly linked to lower product prices and sales volume, being partially offset by Group's lowered operating costs. While EBITDA margin stood at 35% versus 41% during 4Q-22.

Financial position

Key performance indicators	As at 31-Dec-23	As at 31-Dec-22	Variance (%)
Cash and bank balances (QR' billion)	15.8	19.2	-18%
Total Assets (QR' billion)	43.1	45.0	-4%
Total Equity (QR' billion)	40	42.0	-5%

Note: Cash and bank balances has been reported based on non-IFRS based proportionate consolidation

Group's financial position continue to remain robust, with cash and bank balances stood at QR 15.8 billion as of 31 December 2023, after accounting for a dividend payout relating to the financial year 2022 amounting to QR 6.7 billion. Currently, the Group has no long-term financial debt obligations.

Group's reported total assets and total equity reached QR 43.1 billion and QR 40 billion, respectively, as of 31 December 2023. The Group generated positive operating cash flows[1] of QR 5.4 billion, with free cash flows[1] of QR 2.7 billion during YE-23.

Segmental performance highlights

Petrochemicals:

Key performance indicators	YE-23	YE-22	Variance (%) [YE-23 vs YE-22]	4Q-23	3Q-23	Variance (%) [4Q-23 vs 3Q-23]
Production (MT' 000)	2,986	3,026	-1%	682	808	-16%
Average selling price ($/MT)	766	942	-19%	785	714	+10%
Sales volumes (MT' 000)	1,914	2,096	-9%	414	492	-16%
Revenue (QR' million)	5,175	6,975	-26%	1,150	1,241	-7%
Net profit (QR' million)	1,360	2,460	-45%	212	322	-34%

Note: The above figures have been reported based on non-IFRS based proportionate consolidation

Segmental performance analysis – YE-23 vs YE-22

The segment reported a net profit of QR 1.4 billion for YE-23, down by 45% versus YE-22. The decrease was mainly linked to a decline of 26% reported in segmental revenues, which was mainly affected by lower blended average selling prices and sales volume realized during YE-23.

Blended product prices for the petrochemical segment declined by 19% against last year, as result of overall decline in global petrochemical prices on the backdrop of crude oil price volatility, easing of supply-chain pressure those were prevalent during 2022, and cautious buying approach by most consumers on account of persistent recessionary fears. Sales volumes declined marginally by 9% compared to YE-22 due to lower production amid shutdowns, and conservative buying decisions amongst many buyers.

Segmental performance analysis - 4Q-23 vs 3Q-23

Net earnings for the segment witnessed a sequential decline of 34%, primarily due to a 16% reduction in sales volume. This reduction in sales volumes was attributed to lower production resulting from a planned shutdown in the fuel additive segment. The results were partially offset by enhanced selling prices, driven by improved market sentiment in the polyethylene sector during the current quarter.

Fertilizers:

Key performance indicators	YE-23	YE-22	Variance (%) [YE-23 vs YE-22]	4Q-23	3Q-23	Variance (%) [4Q-23 vs 3Q-23]
Production (MT' 000)	9,444	9,722	-3%	2,248	2,439	-8%
Average selling price ($/MT)	349	656	-47%	366	353	+4%
Sales volumes (MT' 000)	6,079	6,277	-3%	1,397	1,551	-10%
Revenue (QR' million)	7,480	14,532	-49%	1,806	1,932	-7%
Net profit (QR' million)	1,885	5,348	-65%	529	632	-16%

Segmental performance analysis – YE-23 vs YE-22

Fertilizer segment reported a net profit of QR 1.9 billion for YE-23, with a significant decline of 65% versus YE-22. This decline was primarily driven by lowered segmental revenue. Segment's revenue decreased by 49% in line with lowered selling prices which declined by 47%, amid macro-challenges affecting nitrogen-based fertilizer markets globally driven by easing of supply challenge and softening of demand. On the other hand, sales volumes marginally decline by 3% versus YE-22 amid lower production on account of lower operating rates.

Segmental performance analysis - 4Q-23 vs 3Q-23.

On a sequential basis, segmental revenue decreased by 7% compared to the previous quarter, as sales volumes witnessed a reduction of 7% amid lower production on account of planned shutdown during 4Q-23. On the other hand, selling prices increased by 4% on a quarter-on-quarter basis, amid noted improvement in the global ammonia markets. Segment's net profit for 4Q-23 decreased by 16% mainly

[1] Reported based on non-IFRS based proportionate consolidation.

due to lower sales volume being partially offset by relatively lower operating expenses and marginally higher selling price.

Steel:

Key performance indicators	YE-23	YE-22	Variance (%) [YE-23 vs YE-22]	4Q-23	3Q-23	Variance (%) [4Q-23 vs 3Q-23]
Production (MT' 000)	4,239	3,985	+6%	1,021	1,109	-8%
Average selling price ($/MT)	561	637	-12%	553	549	+1%
Sales volumes (MT' 000)	2,087	1,839	+13%	498	452	+10%
Revenue (QR' million)	4,264	4,262	+0%	1,002	902	+11%
Net profit (QR' million)	1,028	888	+16%	619	130	+376%

Segmental performance analysis – YE-23 vs YE-22
The steel segment achieved a net profit of QR 1 billion, marking a significant 16% increase compared to the previous year. This significant increase can be primarily attributed to the increase in non-operating income related to reversal of impairment on non-current assets, specifically related to DR-2 facility that was previously mothballed and restarted in 2022. Furthermore, the additional reversal of impairment in Foulath investments also contributed to the positive financial performance of the steel segment.

Amid the positive net profit, the segmental revenue remained unchanged compared to the previous year due to a reduction in selling prices, which was entirely offset by an improvement in sales volumes. The dynamics of pricing and sales volume balancing each other out contributed to maintaining overall revenue at a consistent level. Segment's acquisition of Al-Qataria Steel during Q4-2023 also contributed towards improved sales volumes and profitability to some extent.

In addition to these factors, higher operating expenses had an impact on earnings. The increase in expenses was driven by higher production levels, indicating that the cost associated with increased sales volumes. Overall, while the reversal of impairments significantly contributed to the net profit boost, challenges such as pricing dynamics and operating expenses influenced the overall operating profit of the steel segment.

Segmental performance analysis - 4Q-23 vs 3Q-23
During the quarter compared to 3Q-23, the segmental profit witnessed significant increase by 376%. This incline was mainly attributed to off-one impairment reversal for non-current asset during the quarter. Additionally, segmental revenue demonstrated a 11% increase on the back of higher sales volumes and marginally higher selling price. Improved sales volumes were partially driven by additionally sales volumes of Al-Qataria acquisition.

Proposed Dividend Distribution
After reviewing Group's current year financial performance, with present and potential liquidity position, and considering the current and future macroeconomic conditions, business outlook, CAPEX, investing and financing requirements of the Group, the Board of Directors proposed a total annual dividend distribution of QR 4.7 billion for the year ended 31 December 2023, subject to the approval of General Assembly, representing a payout ratio of 100% of current year's net earnings. A dividend of QR 0.78 per share represent a dividend yield of 6% on the closing share price as of 31 December 2023.

Earnings Call:

Industries Qatar will host an Earnings call with investors to discuss the latest results, business outlook and other matters on Monday, 12th February 2024 at 1:30 pm Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at IQ's website.

-Ends-

About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company Q.P.S.C. ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertilizer Company SAQ ("QAFCO"), a subsidiary 100% owned by IQ, engaged in the manufacture of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, engaged in the production of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

For more information about the earnings announcement, email iq@qatarenergy.qa or iq.investorrelations@qatarenergy.qa or visit www.iq.com.qa

DISCLAIMER

The companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the Group" are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this document.

Industries Qatar Q.P.S.C., it's Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Industries Qatar Q.P.S.C., its subsidiary, joint ventures and associated companies are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Industries Qatar Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

GENERAL NOTES

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in US $'s have been translated at the rate of US $1 = QR 3.64.

Amounts relating to income statement, including revenue, net profits, production, sales volumes, have been computed and reported for the purpose of this press release on proportionate basis, based on the share of ownership of IQ in its respective joint ventures. Specifically, Petrochemical segment's revenue is computed by taking the Group share of revenue in Qapco and Qafac. Qapco's revenue is computed by taking the share of revenue in its joint ventures namely Qatofin, QVC and QPPC. This revenue may differ from the revenues reported in the consolidated financial statements.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realization Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalization x 100 • **DRI:** Direct Reduced Iron • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization calculated as (Net Profit + Interest Expense + Depreciation + Amortization) • **EPS:** Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year-end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** Hot Briquetted Iron • **LDPE:** Low Density Poly Ethylene • **LLDPE:** Linear Low Density Poly Ethylene • **mmBTU:** Million British Thermal Units • **MTPA:** Metric Tons Per Annum • **MTBE:** Methyl Tertiary Butyl Ether • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market capitalization / Net Profit) • **Utilization:** Production Volume / Rated Capacity x 100